

# APPENDIX - D

## DEBT MANAGEMENT POLICY

I. Purpose:

To outline the guidelines for ensuring an appropriate debt level is maintained while providing financial support for capital facility needs, and to outline the guidelines for helping ensure the long-term fiscal health of the City through the development of standards and conditions under which debt may be issued.

II. Scope:

This policy applies to the management of all City Debt.

III. Policy:

- A. The City prepares and adopts a five-year Capital Improvement Plan, updated annually, to identify capital project needs, including funding sources, estimated cost per year, and debt instrument(s) required to finance the plan.
- B. Capital projects financed through the issuance of bonds are financed for a period not to exceed the useful life of the facility or equipment.
- C. The City establishes an appropriate mix of bonded debt and pay-as-you-go financing in the funding of capital projects.
- D. Total general obligation bonded debt will not exceed 8% of the assessed value of taxable property in the City without a referendum, as prescribed by Title 5, Chapter 21 , Article 1 of the Code of Laws of the State of South Carolina.
- E. Long-term debt financing is not used to support current operating expenditures.
- F. General obligation debt is not used for enterprise activities.
- G. The City does not issue notes to finance operating deficits.
- H. Total annual budgeted debt service for general, government supported debt may not exceed 5% of general government budgeted expenditures.
- I. Where feasible, the City develops and utilizes revenues, special fees, or other self-supporting debt instruments in lieu of general obligation bonds.